

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: December 7, 2004

SUBJECT: Fiscal Impact Statement: "District of Columbia Housing
Authority Amendment Act of 2004"

REFERENCE: Bill Number 15-1076 as Introduced

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan. No additional staff or resources will be required. The District of Columbia Housing Authority (DCHA) will be required to implement the proposed legislation from within their existing appropriations.

Background

The proposed legislation amends the District of Columbia Housing Authority Act of 1999¹ to clarify the definition of "for-profit activities" to make a clear distinction between the District of Columbia Housing Authority's (DCHA) residential development operations and DCHA supporting activities such as retail supermarket, commercial office space, or recreational development. There is already a separate tax exemption for these ancillary developments. This tax exemption must be approved by the Council and is limited to a five-year period. The proposed legislation is a technical amendment to clarify the distinction between the tax exemption for affordable housing units and ancillary development in the same area. These provisions have already been passed as an emergency and temporary act. The proposed legislation will make these provisions permanent.

¹ D.C. Law 13-105; D.C. Official Code Title 6 § 201 *et sequitor*; effective May 9, 2000.

The proposed legislation will allow Board members of DCHA to serve as Advisory Neighborhood Commissioners.

The proposed legislation would authorize the D.C. Housing Authority Police Department (DCHAPD) to obtain and act on search warrants for controlled substances by making a technical amendment to the District's Uniform Controlled Substances Act. Currently this authority only lies with the U.S. Park Police and the Metropolitan Police Department. This provision has been passed on an emergency basis and the proposed legislation will make it permanent.

The proposed legislation increases the stipend for the Chairman of the Board of Commissioners from \$3,000 per year to \$5,000 per year.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan because no additional staff or resources will be required. Any tax exemption for new for-profit entities must be approved in separate legislation by Council.

DCHAPD operations will be expanded and the District should achieve some operational efficiencies with the broadened authority created by this bill. However, it is too soon to measure them.

DCHA may not exceed their existing appropriations when awarding stipends to Commissioners.

Federal and local anti-deficiency laws² prohibit District officers and employees from exceeding appropriations in any fiscal year. If funding were available to absorb any additional costs, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included in the budget and financial plan.

² 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).